

FAIRPOINT MILESTONE RESULTS

WEEK ENDING 06/26/09

UNSUBMITTED ORDERS: The Stabilization Plan describes both what is meant by an unsubmitted order as well as defining BAU as between 1500 – 2000 orders. We used the midpoint of this measurement to set our BAU objective. The majority of the improvement in the area is behind us, as this has decreased from 7906 orders on 3/2/09.

<u>Date</u>	<u>Actual</u>	<u>Objective</u>	<u>Result</u>	<u>Variance</u>
4/14 (Current)	2422			
4/24		2200	2293	(93)
5/1		2150	2694	(544)
5/8		2100	2794	(694)
5/15		2050	2284	(234)
5/22		2000	2581	(581)
5/29		1950	2568	(618)
6/5		1900	2382	(482)
6/12		1850	2383	(533)
6/19		1800	2656	(856)
6/26		1750	2374	(624)

SERVICE PENDING (LATE): This measurement focuses on the pending orders that are past their due date. We set milestones for each of the various product areas we are tracking. BAU assumes a certain number of orders will continue to show late, based a variety of normal circumstances.

Retail POTS:

<u>Date</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/14 (Current)	8540			
4/24		8500	6605	1895
5/1		8000	6503	1497
5/8		7500	7115	385
5/15		7000	5680	1320
5/22		6500	4988	1512
5/29		5500	4535	965
6/5		4500	4154	346
6/12		3250	3442	(192)
6/19		1750	2676	(926)
6/26		35	2724	(2689)

Retail DSL:

<u>Date</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/14 (Current)	1986			
4/24		2000	1623	377
5/1		1800	1389	411
5/8		1600	1125	475
5/15		1400	1057	343
5/22		1200	786	414
5/29		1000	869	131
6/5		800	770	30
6/12		600	622	(22)
6/19		400	470	(70)
6/26		150	377	(227)

Retail Other:

<u>Date</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/14 (Current)	166			
4/24		180	174	6
5/1		175	453	(278)
5/8		170	1280	(1110)
5/15		160	139	21
5/22		150	129	21
5/29		135	139	(4)
6/5		115	137	(22)
6/12		90	133	(43)
6/19		60	126	(66)
6/26		25	202	(177)

LSR:

<u>Date</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/14 (Current)	2332			
4/24		2300	3226	(926)
5/1		2200	2666	(466)
5/8		2100	2238	(138)
5/15		1950	1902	48
5/22		1750	1881	(131)
5/29		1500	2168	(668)
6/5		1200	2271	(1071)
6/12		800	2101	(1301)
6/19		500	2089	(1589)
6/26		150	1859	(1709)

ASR:

<u>Date</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/14 (Current)	975			
4/24		1000	832	168
5/1		900	757	143
5/8		800	656	144
5/15		700	636	64
5/22		600	599	1
5/29		500	608	(108)
6/5		400	667	(267)
6/12		250	657	(407)
6/19		100	588	(488)
6/26		25	592	(567)

NUMBER OF ORDERS > 20 DAYS LATE:

As previously discussed the number of orders > 20 days late has been modified to show the number of pending orders > 20 days late as requested. The actual numbers for the week ending 6/26/09 are as follows:

<u>Order Type</u>	<u>> 20 Days Late beginning week</u>	<u>> 20 Days Late Week End</u>
POTS	1333	1245
DSL	172	117
Retail Other	80	137
LSR	1005	867
ASR	293	290

TOTAL ORDERS ENTERED PRE 2/9/09 STILL PENDING: Milestones have been established for orders entered before 2/09/09 that are still pending for LSR, ASR and Retail.

All pre 2/9 orders have been completed.

AVERAGE DELAY DAYS: This measurement calculates the average days late an order or transaction is when completed. It compares the provisioning date to the commitment date for completed orders. This is measured in days.

Retail POTS:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	6.59			
4/24		8	5.57	2.43
5/1		8	5.02	2.98
5/8		7	5.71	1.29
5/15		6	5.58	0.42
5/22		5	5.00	0
5/29		4	5.42	(1.42)
6/5		3	5.49	(2.49)
6/12		2	5.02	(3.02)
6/19		1	4.98	(3.98)
6/26		0	4.70	(4.70)

Retail DSL:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	16.01			
4/24		18	12.78	5.22
5/1		18	26.93	(8.93)
5/8		16	14.09	1.91
5/15		14	14.23	(.23)
5/22		12	30.74	(17.26)
5/29		10	17.41	(7.41)
6/5		8	14.32	(6.32)
6/12		6	14.16	(8.16)
6/19		4	14.78	(10.78)
6/26		4	14.99	(10.99)

Retail Other:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	10.71			
4/24		12	7.53	4.47
5/1		12	8.45	3.55
5/8		12	10.54	1.46
5/15		11	11.55	(.55)
5/22		10	11.75	(1.75)
5/29		9	12.53	(3.53)
6/5		8	13.52	(5.52)
6/12		6	12.07	(6.07)
6/19		4	10.99	(6.99)
6/26		2	11.61	(9.61)

LSR:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	5.01			
4/24		6	6.39	(.39)
5/1		6	6.31	(.31)
5/8		5	6.49	(1.49)
5/15		4	7.12	(3.12)
5/22		3	9.19	(6.19)
5/29		1	18.01	(17.01)
6/5		0	19.05	(19.05)
6/12		0	22.82	(22.82)
6/19		0	21.05	(21.05)
6/26		0	21.24	(21.24)

ASR:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	6.50			
4/24		8	8.31	(.31)
5/1		8	10.11	(2.11)
5/8		8	10.61	(2.61)
5/15		7	12.00	(5.00)
5/22		6	15.62	(9.62)
5/29		5	17.25	(12.25)
6/5		4	19.35	(15.35)
6/12		3	17.49	(14.49)
6/19		3	19.96	(16.96)
6/26		2	19.92	(17.92)

PERCENT CURRENT DAY FLOW THROUGH: These milestones set objectives for the percent flow through we are expecting for different product groups. This measurement calculates flow through on all competed orders as defined in the daily report notes. The objective decreases initially to recognize the completion of backlog orders that have fallen out since cutover but not yet been completed. For this reason, we will report on the daily average for each week versus a single day.

Retail POTS:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	80.41			
4/24		70	78.5	8.5
5/1		70	80.0	10
5/8		72	75.9	3.9
5/15		75	76.3	1.3
5/22		80	76.5	(3.5)
5/29		80	78.4	(1.6)
6/5		85	74.1	(10.9)
6/12		90	72.04	(17.96)
6/19		90	67.87	(22.13)
6/26		90	68.15	(21.85)

Retail DSL:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	80.77			
4/24		70	62.27	(7.73)
5/1		65	59.10	(5.90)
5/8		65	64.09	(.91)
5/15		67	62.79	(4.21)
5/22		70	68.79	(1.21)
5/29		72	73.93	1.93
6/5		75	71.73	(3.27)
6/12		80	67.96	(12.04)
6/19		85	67.56	(17.44)
6/26		90	59.08	(30.92)

Retail Other:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	83.33			
4/24		70	59.79	(10.21)
5/1		70	55.10	(14.90)
5/8		70	54.94	(15.06)
5/15		75	36.97	(38.03)
5/22		75	61.09	(13.91)
5/29		80	63.35	(16.65)
6/5		85	54.83	(30.17)
6/12		90	62.39	(27.61)
6/19		90	75.03	(14.97)
6/26		90	75.71	(14.29)

Wholesale AB orders:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	21.43			
4/24		21	47.05	26.05
5/1		23	42.26	20.74
5/8		28	44.18	16.18
5/15		35	44.41	9.41
5/22		43	37.20	(5.80)
5/29		52	26.54	(25.46)
6/5		58	22.89	(35.11)
6/12		62	43.03	(18.97)
6/19		75	57.21	(17.79)
6/26		90	50.62	(39.38)

Wholesale CB orders:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	43.21			
4/24		40	70.80	30.80
5/1		45	34.71	(10.29)
5/8		50	39.55	(10.45)
5/15		55	37.48	(17.52)
5/22		60	48.11	(11.89)
5/29		70	35.08	(34.92)
6/5		75	29.72	(45.28)
6/12		80	23.48	(56.52)
6/19		85	51.82	(33.18)
6/26		90	65.39	(24.61)

Wholesale DB orders:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	15.91			
4/24		15	21.57	6.57
5/1		15	12.91	(2.19)
5/8		20	11.56	(8.44)
5/15		30	15.21	(14.79)
5/22		40	22.00	(18.00)
5/29		50	11.44	(38.56)
6/5		60	16.96	(43.04)
6/12		70	10.75	(59.25)
6/19		80	37.46	(42.54)
6/26		90	45.63	(44.37)

Wholesale JB orders:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/21 (Current)	39.10			
4/24		35	54.02	19.02
5/1		40	48.97	8.97
5/8		45	56.31	11.31
5/15		50	47.88	(2.12)
5/22		55	48.67	(6.33)
5/29		60	35.08	(24.92)
6/5		65	81.29	16.29
6/12		70	98.26	28.26
6/19		80	95.32	15.32
6/26		90	92.09	2.09

PERCENT OF CALLS ABANDONED: We will track and set milestones for the calls abandoned in each of our consumer, business and repair call centers. These measurements will be a weekly average for each center given the call volume differences that are experienced depending on which day of the week is reviewed. The repair center is open on weekends, but for the purposes of this report and setting milestones only weekdays will be included. The results on the weekend are already at BAU levels with excellent results. The repair center also has a seasonal attribute. Total repair tickets and therefore calls into the center are at their highest in late spring and summer due to weather events. This seasonality was taken into account for the milestones. The results in the center will continue to improve as the year progress.

CSSC:

<u>Date (week ending):</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
3/27 (Baseline)	59%			
4/24		20%	11%	9%
5/1		18%	6%	12%
5/8		16%	3%	13%
5/15		14%	5%	9%
5/22		12%	8%	4%
5/29		9%	11%	(2%)
6/5		7%	4%	3%
6/12		5%	3%	2%
6/19		5%	1%	4%
6/26		5%	3%	2%

BSSC:

<u>Date (week ending):</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
3/27 (Baseline)	56.2%			
4/24		40%	17%	23%
5/1		35%	16%	19%
5/8		32%	26%	6%
5/15		28%	29%	(1%)
5/22		22%	49%	(27%)
5/29		20%	34%	(14%)
6/5		16%	17 %	(1%)
6/12		12%	16%	(4%)
6/19		8%	22%	(14%)
6/26		5%	13%	(8%)

Repair:

<u>Date (week ending):</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
3/27 (Baseline)	9.4%			
4/24		30%	23%	7%
5/1		28%	14%	14%
5/8		18%	11%	7%
5/15		16%	16%	0%
5/22		14%	17%	(3%)
5/29		12%	28%	(16%)
6/5		10%	6%	4%
6/12		10%	2%	8%
6/19		8%	4%	4%
6/26		8%	10%	(2%)

AVERAGE WAIT TIME: We set milestones for the time our customer wait to talk to one or our representatives in the three call centers previously mentioned. We will also only use measurements during the weekdays for the repair call center. Measurements are all in minutes.

CSSC:

<u>Date (week ending):</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
3/27 (Baseline)	15.12			
4/24		6	4	2
5/1		6	2	4
5/8		5	1	4
5/15		5	2	3
5/22		4	2	2
5/29		4	3	1
6/5		3	1	2
6/12		3	1	2
6/19		2	0.2	1.8
6/26		1	1	0

BSSC:

<u>Date (week ending):</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
3/27 (Baseline)	16.6			
4/24		12	6	6
5/1		10	5	5
5/8		10	9	1
5/15		9	10	(1)
5/22		8	20	(12)
5/29		7	12	(5)
6/5		5	5	0
6/12		3	5	(2)
6/19		2	7	(5)
6/26		2	3	(1)

Repair:

<u>Date (week ending):</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
3/27 (Baseline)	8.37			
4/24		9	7	2
5/1		9	4	7
5/8		6	3	3
5/15		6	5	1
5/22		5	5	0
5/29		5	9	(4)
6/5		4	2	2
6/12		4	0.4	3.6
6/19		3	1	2
6/26		3	3	0

PERCENT OF BILLS KNOWN TO BE IN ERROR: Milestones will be set to this metric to track the progress we're making in our billing accuracy. This metric will not include billing disputes where the bills were produced as planned and a customer (either wholesale or retail) disputes the bill.

Retail:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/14 (Current)	2.8%			
4/24		2.5%	4.6%	(2.1%)
5/1		2.0%	5.9%	(3.9%)
5/8		2.0%	2.5%	(.5%)
5/15		1.75%	5.0%	(3.3%)
5/22		1.75%	3.7%	(1.95%)
5/26		1.50%	3.2%	(1.7%)
6/5		1.50%	1.4%	0.1%
6/12		1.25%	2.2%	(.95%)
6/19		1.0%	1.3%	(0.3%)
6/26		1.0%	1.1%	(0.1%)

DAILY \$ AMOUNT OF BILLING ADJUSTMENTS:

Retail:

<u>Date:</u>	<u>Actual</u>	<u>Objective</u>	<u>Results</u>	<u>Variance</u>
4/14 (Current)	\$152,948			
4/24		\$125,000	\$70,314	\$54,686
5/1		\$100,000	\$47,891	\$52,169
5/8		\$ 75,000	\$41,672	\$33,328
5/15		\$ 50,000	\$30,111	\$19,889
5/22		\$ 50,000	\$50,508	(\$508)
5/29		\$ 40,000	\$60,913	(\$20,913)
6/5		\$ 40,000	\$77,573	(\$37,573)
6/12		\$ 30,000	\$40,903	(\$10,903)
6/19		\$ 30,000	\$51,719	(\$21,719)
6/26		\$ 30,000	\$76,480	(\$76,480)